

Export-Import Bank's Report on Competitiveness Underscores Need for Reauthorization

The Export-Import Bank recently released their annual report to Congress on global export credit competition, which underscores the important role the Bank plays in helping ensure American businesses are competing on a level playing field in the global marketplace. As we approach the June 30 deadline to reauthorize the Bank's charter, and as House Republican leaders continue to refuse to allow a vote on reauthorization, take a look at key excerpts from the [report](#) that illustrate the Bank's significant impact on American job growth and our economic competitiveness:

With 85 competing international export credit agencies assisting companies in foreign countries, the Export-Import Bank helps American businesses compete on a level playing field in the global marketplace:

“The significant competitive advantage held by the United States following the 2007-2008 global financial crisis decreased significantly by the end of 2014, as OECD country borrowing costs returned to historical levels in most competitor countries.”

“The number of [export credit agencies] worldwide has been growing rapidly, reaching as many as 85 last year, with over half operating programs that are not regulated by the OECD Arrangement.”

“China, to take one example, has been estimated to have provided its exporters with at least \$670 billion in ECA financing over the last two years, while EXIM has equipped American exporters with only about \$590 billion in financing—over its entire 81-year history.”

“Korea's trade-related official support was more than double that of the United States in 2014, despite the fact that U.S. total exports were nearly triple the size of Korea's total exports. In addition, the U.S. economy is eleven times larger than the Korean economy.”

“Among the major ECAs, there is near-uniform agreement on two critical points: first, they are not experiencing a political threat to their existence, and second, they anticipate doing more, not less, financing of their domestic exporters in the years ahead.”

“U.S. export financing volumes are similar to countries like Canada, France, and Italy, despite the fact that America's actual exports represent about three times as much as these countries. This financing gulf raises concerns about the long-term competitiveness of U.S. exports in the global economy.”

“More and more OECD member countries are turning to exports as a source of GDP growth.”

“In the context of these macroeconomic and banking trends, many G-20 countries have taken steps to improve and expand the scope of their official export financing, except the United States.”

The Export-Import contributes to deficit reduction and is fiscally responsible:

“In terms of volume (authorized amount), the majority of EXIM’s authorizations fell within relatively **low-risk categories** in both 2013 and 2014.”

“A long-term reauthorization would provide a more stable climate for American export financing, **without any additional cost to taxpayers.**”

“... **EXIM ensures all of its transactions cover their loan loss requirements...**”

The Export-Import Bank generated “**a surplus of \$675 million for taxpayers**” [in FY2014].

The Export-Import Bank provides important financing assistance that supports American job creation here at home:

“The past year has seen EXIM continue to support U.S. job growth, **equipping American businesses to create or maintain 164,000 jobs during 2014.**”

“America is unique in its **requirements that EXIM financing programs be directly related to supporting U.S. jobs.**”

“**EXIM supported nearly \$1.7 billion in services exports in 2014**, led by leasing, engineering and consulting services.”

Uncertainty surrounding the Bank’s reauthorization is hurting American businesses:

“At a time when EXIM is operating in a limited capacity under the threat of closure, as compared with other ECAs that are expanding, **uncertainty creates a major competitive disadvantage for U.S. exporters.**”

“In surveys and focus groups conducted by EXIM, U.S. exporters and lenders have remarked that the competitive position of EXIM relative to other export credit agencies (EACs) is weakening... In addition, they believe that **the congressional debate over extending EXIM Bank’s Charter has already hurt, and will continue to hurt, EXIM’s competitiveness. Evidence has emerged that Asian ECAs now use the uncertainty surrounding EXIM’s reauthorization as a tool to win business away from American exporters.**”